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# REPORT DIGEST

## ELGIN MENTAL HEALTH CENTER

### LIMITED SCOPE COMPLIANCE EXAMINATION

For the Two Years Ended:  
June 30, 2009

#### Summary of Findings:

Total this audit: 1  
Total last audit: 4  
Repeated from last audit: 1

Release Date:  
June 29, 2010



State of Illinois  
Office of the Auditor General  
**WILLIAM G. HOLLAND**  
AUDITOR GENERAL

To obtain a copy of the Report contact:  
Office of the Auditor General  
Attn: Records Manager  
Iles Park Plaza  
740 E. Ash Street  
Springfield, IL 62703  
(217) 782-6046 or TTY (888) 261-2887

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the worldwide web at  
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### SYNOPSIS

- The Center had inadequate controls over identifying a patient's ability to pay and following up on accounts receivable.

{Expenditures and Activity Measures are summarized on the reverse page.}

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**ELGIN MENTAL HEALTH CENTER**  
**LIMITED SCOPE COMPLIANCE EXAMINATION**  
**For The Two Years Ended June 30, 2009**

<b>EXPENDITURE STATISTICS</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
<b>Total Expenditures (All Appropriated Funds)</b>	<b>\$68,606,222</b>	<b>\$72,801,544</b>	<b>\$67,170,821</b>
<b>OPERATIONS TOTAL</b> .....	\$68,588,134	\$65,496,621	\$59,694,006
% of <b>Total</b> Expenditures.....	99.9%	90.0%	88.9%
Personal Services .....	\$48,306,954	\$47,867,986	\$45,113,622
% of Operations Expenditures.....	70.4%	73.1%	75.6%
Average No. of Employees.....	727	744	789
Average Salary Per Employee.....	\$66,447	\$64,339	\$57,178
Other Payroll Costs (FICA, Retirement).....	\$13,607,609	\$11,321,999	\$8,404,868
% of Operations Expenditures.....	19.8%	17.3%	14.1%
Contractual Services .....	\$4,981,877	\$4,449,499	\$4,416,482
% of Operations Expenditures.....	7.3%	6.8%	7.4%
Commodities .....	\$1,206,388	\$1,265,117	\$1,149,348
% of Operations Expenditures.....	1.8%	1.9%	1.9%
All Other Items .....	\$485,306	\$592,020	\$609,686
% of Operations Expenditures.....	0.7%	0.9%	1.0%
<b>GRANTS TOTAL</b> .....	\$18,088	\$7,304,923	\$7,476,815
% of <b>Total</b> Expenditures.....	0.1%	10.0%	11.1%
<b>Cost of Property and Equipment</b> .....	<b>\$112,172,989</b>	<b>\$112,018,037</b>	<b>\$111,834,997</b>
<b>SELECTED ACTIVITY MEASURES (Not Examined)</b>	<b>FY 2009</b>	<b>FY 2008</b>	<b>FY 2007</b>
Average Number of Residents.....	364	365	368
Ratio of Employees to Residents.....	2.00/1	2.04/1	2.14/1
Paid Overtime Hours & Earned Compensatory Hours .....	109,865	121,392	99,240
Value of Paid Overtime Hours & Earned Compensatory Hours.....	\$3,665,515	\$4,066,432	\$3,127,324
Cost Per Year Per Resident.....	*	\$237,055	\$217,958
*The Department had not calculated this statistic at the close of Fieldwork.			
<b>HOSPITAL ADMINISTRATOR</b>			
During Examination Period: Raul Almazar (7/1/07 – 1/14/08); Tajudeen Ibrahim, Acting (1/15/08 – current) Currently: Tajudeen Ibrahim, Acting			

**FINDINGS, CONCLUSIONS, AND  
RECOMMENDATIONS**

**INADEQUATE CONTROLS OVER ACCOUNTS  
RECEIVABLE**

The Center had inadequate controls over identifying a patient's ability to pay and following up on accounts receivable.

The Center did not complete the "Notice of Determination" within 60 days of admittance or did not complete it timely.

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**Eight of 25 (24%) accounts receivable totaling \$199,998 did not reflect timely completion of the "Notice of Determination"**

- Three of 25 (12%) accounts receivable tested totaling \$1,350 did not have a "Notice of Determination" on file and 8 of 25 (32%) totaling \$199,998 were not completed timely, ranging from 28 to 125 days after the 60-day period from date of admittance.

The Center did not maintain complete patient financial case records to support the initial setup of the patient's receivable in the billing system.

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**The Center did not maintain complete patient financial case records**

- Three of 25 (12%) accounts receivable tested did not have financial case record on file. These accounts receivable totaled \$65,249. Five of 25 (20%) accounts receivable tested did not have a completed financial case record on file. These totaled \$72,214.

The Center did not follow-up on accounts receivable up to 180 days old or report them as a collection problem to Central Office.

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**Accounts receivable collection problems were not reported to the Central Office**

- Nine of 25 (36%) accounts receivable tested were outstanding over 180 days old and not reported as problem accounts to DHS Central Office. These accounts receivable totaled \$240,244. (Finding 1, pages 9-11) **This finding was first reported in 2003.**

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**Center agrees with auditors**

Department officials agreed with our recommendation that the Center comply with existing policies and procedures to process, bill, and collect amounts owed. Department officials stated that the Center's Recipient Resource Unit

will implement a process to provide documentation on patient files to indicate that the Notice of Determination is completed and mailed within 60 days of admission date. (For the previous agency response, see Digest footnote #1)

### **AUDITORS' OPINION**

We conducted a compliance attestation examination of the Center as required by the Illinois State Auditing Act. We also performed certain auditing procedures with respect to the accounting records of the Center to assist with the financial audit of the entire Department of Human Services. Financial statements for the Department will be presented in that report.

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WILLIAM G. HOLLAND, Auditor General

WGH:KMC:drh

### **SPECIAL ASSISTANT AUDITORS**

Our special assistant auditors were Martin & Shadid, P.C.

### **DIGEST FOOTNOTE**

#### **#1 INADEQUATE CONTROLS OVER ACCOUNTS RECEIVABLE – PREVIOUS AGENCY RESPONSE**

2007: Agreed: The Center will continue to allocate needed resources to the Recipient Resource Unit to process, closeout, bill, and collect all amounts owed. The Center hired a Business Manager and he is now fully trained in the areas of Medicare, Medicaid billing, and collections.